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6 October 1954

MEMORANDUM FOR THE RECORD

SUBJECT: Bonding of Agency Personnel

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At my request [REDACTED] of the Special Study Group discussed this subject with me on 23 September 1954. He stated that the question of bonding for the Agency as a whole presented a different problem from that which he had encountered anywhere else in Government and recognized that for security reasons we might not be able to prosecute or file claims in certain instances. He did feel, however, that there might well be many, if not most, instances when prosecution could be undertaken or claims filed either because the administrative considerations outweighed the security considerations or the security factors were no longer of paramount importance. He thought that the Agency would be vulnerable to criticism if it seemed that it could not prosecute or file claims. On balance, it was his opinion that agent candidates and certifying officers should be bonded and that official custodians should not be. He had considered the very large number of official custodians and apparently there had been some question in his mind as to whether or not the amount of funds entrusted to such officials should be a governing factor in this decision. His final conclusion was, however, that he did not see the necessity for bonding these officers.

/s/
L. E. WHITE
Deputy Director
(Administration)

cc: Comptroller